

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS**

SORRELL HOMES, INC.)	
)	
Plaintiff,)	
)	
v.)	CIVIL ACTION NO. 04-CV10260 WGY
)	
DOUGLASS R. STILES CO. LLC AND)	
DOUGLASS R. STILES)	
)	
Defendant.)	
)	

AFFIDAVIT OF DOUGLASS R. STILES

Douglass R. Stiles, under oath, deposes and says:

1. I am one of the defendants in the above matter and I am making this affidavit as to facts of my own personal knowledge.
2. This action was commenced in February of 2004, in which the plaintiff alleged that I misused some architectural plans for a home that I built in Wellesley, Massachusetts.
3. For the past several years I have experienced a severe financial downturn, precipitated primarily by my divorce and the loss of a significant portion of my assets as part of that divorce. At the time this action was filed I was unable to engage counsel to defend me in this action. Consequently, a default was entered against me in January 2005 and a default judgment entered in March 2005. As part of the judgment that entered against me in this action, I was permanently enjoined from selling, leasing, renting, conveying or using the house that I built in any way without the plaintiff's consent. The effect of this judgment has been to deprive me of the ability to sell the home to repay the outstanding indebtedness.

4. At the present time, there is an outstanding first mortgage to Washington Mutual Bank in the amount of approximately \$2,200,000. I have annexed hereto as Exhibit A a copy of a letter of Washington Mutual evidencing that loan and the amount of that debt.

5. The loan is in default and foreclosure proceedings have been instituted by the Bank. I understand a foreclosure sale has been scheduled for July 13, 2006.

6. There is no equity in the property as the amount of the outstanding first mortgage, along with outstanding unpaid property taxes, far exceeds the fair value of the property. I have annexed hereto as Exhibit B a copy of a residential appraisal report that I recently obtained. This appraisal estimates the fair value of the property to be \$1,900,000.

7. There is an existing tenant occupying the property under a lease that was made before the judgment entered against me in this matter. This tenant has expressed a desire to purchase the property for a sum not to exceed \$1,900,000. See Exhibit C.

8. I have been informed and therefore believe that this tenant has communicated with the plaintiff or the plaintiff's counsel seeking to obtain the plaintiff's permission to allow me to sell the property to the tenant. It is my understanding that the plaintiff has refused to allow such a sale to take place.

9. If the Bank proceeds with the foreclosure sale, there will be a significant deficiency owed to the Bank, which will only make my financial circumstances worse and will perhaps forever ruin my credit standing and deprive me of the ability to recover financially. The foreclosure would also likely result in the dispossession of the tenant, forcing him to vacate the premises and relocate his family.

10. I am seeking a modification of the default judgment that entered against me so as to allow the sale of the Wellesley home for a sum of approximately \$1,900,000. I understand

that the Bank will accept a sum that is less than the full payoff of its loan, as long as I work out arrangements for the repayment of that deficiency over a period of time.

11. No portion of the sale proceeds will be paid to me or to anyone other than Washington Mutual Bank and the Town of Wellesley for the payment of property taxes.

12. I believe it is in the interests of justice that the injunction against me be so modified. Failure to do so will only cause unnecessary harm to Washington Mutual Bank and to an innocent third party (my tenant), and will cause no harm to the plaintiff since there is no equity in the property and no portion of the proceeds would be payable to me.

Signed under the penalties of perjury this 7th day of July 2006.

/s/ Douglass R. Stiles
Douglass R. Stiles

Certificate of Service

I hereby certify that this document(s) filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non registered participants on July 14, 2006.

/s/ Peter S. Brooks